

Management and Budget

MISSION STATEMENT

The mission of the Office of Management and Budget (OMB) is to support and enhance the effective, efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating by developing, promulgating, and applying appropriate budgetary policies and procedures; providing accurate, timely, and objective information and recommendations to the County Executive, County departments, the County Council, and the general public; preparing and administering the operating and capital budgets in compliance with the County Charter, generally accepted accounting principles, and the policy agendas of elected officials; and ensuring that available resources are efficiently allocated and productively used.

BUDGET OVERVIEW

The total recommended FY09 Operating Budget for the Office of Management and Budget is \$4,067,640, an increase of \$99,750 or 2.5 percent from the FY08 Approved Budget of \$3,967,890. Personnel Costs comprise 95.3 percent of the budget for 34 full-time positions for 30.0 workyears. Operating Expenses account for the remaining 4.7 percent of the FY09 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

❖ *A Responsive, Accountable County Government*

PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

| Measure | Actual FY06 | Actual FY07 | Estimated FY08 | Projected FY09 | Projected FY10 |
|--|----------------|----------------|-------------------|-------------------|-------------------|
| Awarded Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award | Yes | Yes | Yes | Expected | Expected |
| Bond rating | AAA | AAA | AAA | Expected | Expected |
| Average number of days to process requests: Budget Adjustment | 4.3 | 4.0 | 3.5 | 3.3 | 3.3 |
| Average number of days to process requests: Position Profile Form | 9.6 | 10.0 | 9.5 | 9.3 | 9.2 |
| Average number of days to process requests: Fiscal Impact Statement | 15.4 | 15.0 | 14.0 | 12.0 | 12.0 |
| Number of requests processed: Capital Improvements Program (CIP) projects ¹ | 455 | 80 | 475 | 80 | 475 |
| Number of requests processed: Position Profile Form | 561 | 575 | 575 | 575 | 575 |
| Variance between budgeted and actual expenditures: Average size of variance (%) | 2.37 | 3.33 | 3.3 | 2.9 | 2.8 |
| Percentage of customers rating services as good or very good | 92 | 87 | 88 | 88 | 90 |

¹FY07 and FY09 are off-years for preparing the biennial CIP.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Collaborated with County Council staff and the National Research Center to conduct the first comprehensive survey in Montgomery of resident's views on the quality of life, County services, and satisfaction with local government.*
- ❖ *Implemented a web-based capital budgeting submission system for use by Montgomery County departments and outside agencies.*
- ❖ *Implemented results-based budgeting initiatives in support of the County Executive's eight priority results areas.*
- ❖ *Productivity Improvements*
 - *Supported development of the County's CountyStat program by dedicating OMB staff to the initial year.*
 - *Streamlined the budget entry imaging process in coordination with Finance to eliminate duplication of effort.*
 - *Worked with local colleges to recruit students as interns for budget research while providing career development opportunities.*

PROGRAM CONTACTS

Contact Angela Dizelos of the Office of Management and Budget at 240.777.2758 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Budget Preparation and Administration

The Budget Preparation and Administration program covers the annual preparation of the Capital Budget, the six-year Public Services Program and Operating Budget, and the various activities designed to assure compliance with the County Charter and decisions of elected officials. The six-year Capital Improvements Program is prepared during even-numbered calendar years. Fiscal policy and procedures are developed to assure conformity with generally accepted accounting principles and County policies.

Six-year fiscal projections are prepared, including the identification of various Executive fiscal policy proposals and planning allocations. Fiscal planning assumptions and debt capacity analyses are updated, guidance is provided to departments and agencies, and budget recommendations are given to the Executive and Council. In addition, special analyses to monitor expenditures and revenues are conducted periodically during the year. County Executive transfers, Council transfers, and supplemental appropriations are handled as are transactions involving the creation, deletion, and movement of positions in the official position complement.

Related work includes participation in collective bargaining and compensation policy development; fiscal management and policy development; management analyses; measurement initiatives; program evaluations; fiscal impact analyses of legislation and regulations; development and amendment of administrative procedures; development and monitoring of user fees and other revenues; grants coordination; and contract review. The office's leadership, administration, automation, and process management are also included in this program. Staff provide OMB representation on the Contract Review Committee, the Interagency Group on Energy and Utilities Management, the Board of Investment Trustees of the pension system, the Diversity Council, the Telecommunications Transmission Facility Coordinating Group, and the Labor Relations Policy Committee.

BUDGET SUMMARY

| | Actual FY07 | Budget FY08 | Estimated FY08 | Recommended FY09 | % Chg Bud/Rec |
|--|------------------|------------------|-------------------|---------------------|------------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 2,748,349 | 2,992,380 | 2,830,130 | 3,066,310 | 2.5% |
| Employee Benefits | 733,974 | 783,730 | 790,260 | 810,520 | 3.4% |
| County General Fund Personnel Costs | 3,482,323 | 3,776,110 | 3,620,390 | 3,876,830 | 2.7% |
| Operating Expenses | 216,245 | 191,780 | 191,780 | 190,810 | -0.5% |
| Capital Outlay | 0 | 0 | 0 | 0 | — |
| County General Fund Expenditures | 3,698,568 | 3,967,890 | 3,812,170 | 4,067,640 | 2.5% |
| PERSONNEL | | | | | |
| Full-Time | 32 | 35 | 35 | 34 | -2.9% |
| Part-Time | 1 | 0 | 0 | 0 | — |
| Workyears | 31.2 | 31.0 | 31.0 | 30.0 | -3.2% |

FY09 RECOMMENDED CHANGES

| | Expenditures | WYs |
|--|------------------|-------------|
| COUNTY GENERAL FUND | | |
| FY08 ORIGINAL APPROPRIATION | 3,967,890 | 31.0 |
| <u>Changes (with service impacts)</u> | | |
| Reduce: Publication Costs | -5,000 | 0.0 |
| Eliminate: Management and Budget Specialist Position | -144,170 | -1.0 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: General Wage and Service Increment Adjustments | 208,080 | 0.0 |
| Increase Cost: Group Insurance Adjustment | 33,800 | 0.0 |
| Increase Cost: Retirement Adjustment | 27,560 | 0.0 |
| Increase Cost: Annualization of FY08 Personnel Costs (Increment) | 25,470 | 0.0 |
| Increase Cost: Printing and Mail Adjustments | 13,560 | 0.0 |
| Increase Cost: Central Duplicating Deficit Recovery Charge | 470 | 0.0 |
| Decrease Cost: Print Biennial CIP book | -10,000 | 0.0 |
| Decrease Cost: Turnover Savings | -50,020 | 0.0 |
| FY09 RECOMMENDED: | 4,067,640 | 30.0 |

CHARGES TO OTHER DEPARTMENTS

| Recipient Department | Recipient Fund | FY08 | | FY09 | |
|----------------------|----------------|---------|-----|---------|-----|
| | | Total\$ | WYs | Total\$ | WYs |
| GENERAL FUND | | | | | |
| CIP | CIP | 197,400 | 1.5 | 276,900 | 2.0 |

FUTURE FISCAL IMPACTS

| Title | CE REC. FY09 | FY10 | FY11 | (S000's) FY12 | FY13 | FY14 |
|---|-----------------|--------------|--------------|------------------|--------------|--------------|
| This table is intended to present significant future fiscal impacts of the department's programs. | | | | | | |
| COUNTY GENERAL FUND | | | | | | |
| Expenditures | | | | | | |
| FY09 Recommended | 4,068 | 4,068 | 4,068 | 4,068 | 4,068 | 4,068 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 228 | 248 | 248 | 248 | 248 |
| These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits. | | | | | | |
| Print biennial CIP book | 0 | 10 | 0 | 10 | 0 | 0 |
| Printing costs for the full Capital Improvements Program book are required in even-numbered fiscal years. In the alternating years, a full book is not printed. | | | | | | |
| Subtotal Expenditures | 4,068 | 4,306 | 4,316 | 4,326 | 4,316 | 4,316 |